

**MUTUAL SETTLEMENT AGREEMENT, RECEIPT, FULL RELEASE
AND COVENANT NOT TO SUE**

Plaintiffs/Claimants:

Connie Tilley and Kermit Tilley, individually and as legal guardians and next friends of Shannon Dalton Adkins, an infant (Date of Birth: 7/9/05; Social Security Number 236-51-5224)

Released Parties:

Leo P. Pajarillo, M.D., and his affiliates, parent company(ies), subsidiaries, insurers, reinsurers, officers, agents, servants, employer(s), employee(s), contractor(s), independent contractor(s), successor(s) in interest, attorneys and all persons in privity with him/them, and all other persons, firms or corporations who might be liable.

Patti Jo Marcum, M.D., and her affiliates, parent company(ies), subsidiaries, insurers, reinsurers, officers, agents, servants, employer(s), employee(s), contractor(s), independent contractor(s), successor(s) in interest, attorneys and all persons in privity with her/them, and all other persons, firms or corporations who might be liable.

Williamson Memorial Hospital, LLC d/b/a Williamson Memorial Hospital, and its affiliates, parent company(ies), subsidiaries, insurers, reinsurers, officers, agents, servants, employer(s), employee(s), contractor(s), independent contractor(s), successor(s) in interest, attorneys and all persons in privity with it/them, and all other persons, firms or corporations who might be liable.

KNOW ALL PERSONS BY THESE PRESENTS:

1. Release of all Present and any Future Claims for Material Consideration:

That Plaintiffs, Connie Tilley and Kermit Tilley, individually and as legal guardians and next friends of Shannon Dalton Adkins, an infant (hereinafter collectively referred to as "Plaintiffs"),

**EXHIBIT
A**

for and in consideration of the sum of One Million One Hundred Thousand Dollars (\$1,100,000.00), cash in hand, sufficiency of which is hereby acknowledged, under authority of an Order of the United States District Court for the Southern District of West Virginia entered on the ____ day of _____, 2009 pursuant to W.Va. Code §44-10-14, do, for themselves, in all capacities (individually, jointly and as guardians and next friends of Shannon Dalton Adkins), as well as for all his/her/their masters, principals, agents, real parties in interest, affiliates, employees, insurers, heirs, administrators, executors, successors and assigns (hereinafter "Releasing Parties"/"Plaintiffs"), hereby release, remise, acquit and forever discharge Leo P. Pajarillo, M.D., Patti Jo Marcum, M.D., Williamson Memorial Hospital, LLC d/b/a Williamson Memorial Hospital, individually, collectively as to each, their respective insurers (including the West Virginia Mutual Insurance Company), their respective third-party administrators (including Sedgewick Claims Management Services, Inc.), heirs, administrators, executors, successors and assigns, affiliates, masters, principals, agents, employers, employees, as well as their past, present, and future officers, directors, stockholders, attorneys, principals, agents, servants, representatives, employees, insurers, subsidiary, parent and/or affiliated companies or divisions, partners, predecessors, successors in interest and assigns (hereinafter "Released Parties") of and from any and all claims of whatever kind or nature, whether based on a tort, contract or other theory of recovery, whether now arisen or hereafter to arise, in any way growing out of or relating to or concerning any personal injuries, property damages, medical expenses, subrogation claims and/or other costs, damages, expenses, or losses of any kind sustained or incurred by or on behalf of each of them individually, collectively and as to Shannon Dalton Adkins as a result of or in any way connected with the claims being made by Plaintiffs, as alleged in a Complaint

Confidential Release, Receipt and Covenant Not to Sue
 In re: Connie and Kermit Tilley, individually and on behalf of Shannon Dalton Adkins,
 Civil Action No. 2:08-0061
 In the United States District Court for the Southern District of West Virginia

filed in the United States District Court for the Southern District of West Virginia, styled, Connie Tilley and Kermit Tilley, Individually and as Legal Guardians and Next Friends of Shannon Dalton Adkins, an Infant v. Williamson Memorial Hospital, LLC, d/b/a Williamson Memorial Hospital; Patti Jo Marcum, M.D.; and Leo P. Pajarillo, M.D., Civil Action Number 2:08-0061. Plaintiffs, individually and collectively, expressly waive and assume the risk of any and all claims for damages and/or injuries which exist as of this date, but of which the Plaintiffs do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect Plaintiffs' decision to enter into this Settlement Agreement.

2. **Full and Final Nature of Release:** It is understood and agreed by Plaintiffs that this is a full, final, and complete release of any and all claims and demands of every kind and character whatsoever and bars totally and completely any further future claims or demands of any kind or character whatsoever by the Plaintiffs, or any person or entity claiming by or through them or on the behalf of any of them, against Released Parties, as a result of or relating to the occurrence described in the preceding paragraph and/or as set forth in Civil Action No. 2:08-0061.

3. **Material Consideration:** In consideration of the release and covenant not to sue, the following payments, described as follows shall be made:

- A. Settlement for present value amount of One Million One Hundred Thousand Dollars (\$1,100,000.00) to be paid to Plaintiffs' counsel, The H. Truman Chafin Law Firm, PLLC, to be held in the trust account of said Plaintiffs' counsel and disbursed in accordance with the Order of the Court and the terms set forth herein.

*purposes ~~shall~~ include the
Special Needs Trust (attached
hereto as Appendix A).*

4. **Good Faith Settlement of Contested Claim:** It is expressly understood and agreed by Plaintiffs that the settlement reflected herein has been made in good faith. In accordance with the West Virginia Supreme Court of Appeals' decisions in Board of Education of McDowell County v. Zando Martin & Milstead, Inc., 390 S.E.2d 796 (W.Va. 1990) and Smith v. Monongahela Power Co., 429 S.E.2d 643 (W.Va. 1993), it is the intent of the parties that by making this good faith settlement prior to a judicial determination of any possible liability on the part of Released Parties, Released Parties are hereby relieved from any liability for contribution from any other person, firm, corporation or other entity who may be held liable to the Plaintiffs.

5. **Warranty of Capacity to Execute Agreement:** Connie Tilley affirms that she is over the age of eighteen years, is competent, is of sound mind and is suffering under no disability or impairment of mind or mental processes and enters into this Settlement Agreement intentionally, knowingly, voluntarily and willingly.

Kermit Tilley affirms that he is over the age of eighteen years, is competent, is of sound mind and is suffering under no disability or impairment of mind or mental processes and enters into this Settlement Agreement intentionally, knowingly, voluntarily and willingly.

Connie Tilley and Kermit Tilley, jointly, affirm that they are the natural maternal grandparents and the legal guardians of Shannon Dalton Adkins, a minor, and that each and they, jointly, have the sole right and exclusive authority to execute this Release on behalf of Shannon Dalton Adkins, a minor.

Connie Tilley and Kermit Tilley jointly, affirm that they each and they, jointly, have the sole right and exclusive authority to receive and to direct the Payment specified in the Settlement

Agreement on behalf of Shannon Dalton Adkins that she/he/they has/have not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations, or causes of action referred to in this Settlement Agreement.

Connie Tilley and Kermit Tilley affirm that she/he/they is/are not in bankruptcy.

6. **Warranty and Indemnification as to Conditional Payment Reimbursement**

Obligations: Plaintiffs do hereby further represent and warrant to Released Parties that they are aware of conditional payment reimbursement obligations to Kentucky Medicaid and to West Virginia Medicaid and that they will, in conjunction with their attorneys, negotiate and fully satisfy any and all conditional payment reimbursement obligations prior to disbursement of the settlement amounts for the future benefit of Shannon Dalton Adkins. Other than Kentucky Medicaid and West Virginia Medicaid, plaintiffs, individually, collectively and through their attorneys, affirm that there is no other no other claim, notice of conditional medical bill re-payment obligation or cause of action brought by any person or entity claiming a right to the proceeds of this settlement, including, but not limited to, any and all persons or entities who have provided insurance payments, health or wage benefit payments or who have provided medical care, services or coverage to or on behalf of the infant, Shannon Dalton Adkins.

Plaintiffs further warrant that any conditional payments made and other expenses of any nature associated with the medical treatment of Shannon Dalton Adkins, if any, whether heretofore asserted, to be asserted whether or not having been fully satisfied by the undersigned, shall/will be fully satisfied from the proceeds of the settlement. Plaintiffs warrant that any future expenses, liens, and/or subrogation claims for medical treatment of Shannon Dalton

Adkins, whether heretofore asserted or not, will be fully satisfied from the proceeds of the settlement. Plaintiffs expressly accept and assume all obligations of reimbursement, repayment and satisfaction of all liens, claims, conditional payment recovery, rights of recovery, subrogation claims and/or common law, statutory or other liens heretofore or hereafter asserted by any medical provider, payer of medical bills, subrogation holder, lien holder and/or other third party as it relates to Shannon Dalton Adkins, a minor, and expressly covenant that all such liens, conditional payment recovery, claims and/or subrogation interests shall be fully and completely satisfied, her/his/their attorney maintaining in escrow an amount sufficient to satisfy all such claims to repayment are resolved fully and completely. Plaintiffs shall demonstrate the full and complete satisfaction, and/or the absence, of obligations of reimbursement, repayment and satisfaction of the same heretofore or hereafter asserted by any medical provider, payer of medical bills, subrogation holder, lien holder and/or other third party, at the time of the court approval (settlement hearing) to occur in the United States District Court for the Southern District of West Virginia, and thereafter, upon request, by any of the Released Parties.

Plaintiffs, individually and collectively, covenant and agree to indemnify and hold harmless the Released Parties for any amounts claimed by reason of conditional medical bill payment, unpaid medical bills or otherwise and unsatisfied liens, subrogation claims and/or common law, statutory or any other liens with specific reference to attorney fees or liens arising out of or relating to the care and treatment for which the Released Parties delivered health care services to Shannon Dalton Adkins, a minor. This indemnification shall include indemnification for all losses, costs, judgments, attorney fees and damages, including but not limited to treble

damages, which may be asserted as to the Released Parties now or at any time in the future.

7. **Dismissal with Prejudice:** In further consideration of the aforesaid payment, the Plaintiffs hereby agree to dismiss the defendants, Leo P. Pajarillo, M.D., Patti Jo Marcum, M.D., Williamson Memorial Hospital, LLC d/b/a Williamson Memorial Hospital, with prejudice from that certain action at law pending in the United States District Court for the Southern District of West Virginia, styled, Connie Tilley and Kermit Tilley, Individually and as Legal Guardians and Next Friends of Shannon Dalton Adkins, an Infant v. Williamson Memorial Hospital, LLC, d/b/a Williamson Memorial Hospital; Patti Jo Marcum, M.D.; and Leo P. Pajarillo, M.D., Civil Action Number 2:08-0061, as being fully compromised, settled and agreed. The hearing for court approval of this settlement and presentation of dismissal order, with prejudice, shall occur before December 31, 2009.

8. **Contested Claim:** IT IS UNDERSTOOD AND AGREED by Plaintiffs that the payment aforesaid is made to them in compromise and settlement of a claim made and denied and that the same shall not be construed as an admission of fault or liability upon the part of Released Parties, and to the contrary, Released Parties expressly deny liability for any alleged injury to Plaintiffs or Shannon Dalton Adkins.

9. **Confidentiality:** The plaintiffs and all parties hereto agree that this settlement and all terms and conditions of payments made pursuant to this Release in Full of All Claims and Settlement Agreement are, and shall remain, confidential. The plaintiffs agree that neither they, nor their attorneys, nor their representatives, shall reveal to anyone, other than as may be mutually agreed to in writing, or except as may be required by court order of any court of competent jurisdiction, or by the laws, rules, or regulations of this or any other state or of the

United States of America, or to their accountants or attorneys involved in preparing tax returns or in providing other legal or accounting advice, any of the terms of this Settlement Agreement and Release, or any of the amounts, numbers, or terms and conditions of any sums payable hereunder.

10. **No Reliance:** Plaintiffs acknowledge that they have read this Release in Full of All Claims and Settlement Agreement and that in entering into it, they are not acting in reliance upon any representations made by Released Parties in any way; rather, Plaintiffs acknowledge that they are acting fully and freely upon their own investigation and knowledge and upon the advice of their own counsel and that they are voluntarily executing this document on their own free will. Plaintiffs, individually and collectively, affirm that she/he/they has/have been afforded and has had full and adequate time to review and read the terms of this Settlement Agreement, that she/he/they has/have had an opportunity to discuss the same with counsel, and that each understands and consents to all of the terms herein.

11. **Attorney Fees and Costs:** It is agreed that each Settling Party shall bear all attorney fees and costs arising from the actions of its own counsel and the prosecution/defense of Civil Action No. 2:08-0061, this Settlement Agreement and the matters and documents referred to herein with the understanding that the Released Parties will pay the guardian ad litem fees and expenses.

12. **Judicial Approval/Dismissal:** The Plaintiffs shall cooperate with and cause an Order of Dismissal, **with prejudice**, to be entered with the United States District Court for the

Southern District of West Virginia, Civil Action No. 2:08-0061, for said approval hearing to occur before December 31, 2009.

13. **Intent To Fully Compromise and Settle:** Each and all Settling Parties do hereby agree and represent that they have been afforded and have had full and adequate time to review and to read the terms of the Settlement Agreement, that all of the terms and matters herein are understood to be material, and that all of the terms and matters herein are fully understood, consented to and entered into as set forth herein. Each and all Settling Parties do hereby represent and affirm that each of them is intentionally and voluntarily entering into this agreement to settle and release all claims, and that they understand the legal consequences of their actions. With this knowledge and having had opportunity to discuss the same with their legal counsel, each does enter into and execute this Settlement Agreement and the covenants herein.

14. **Additional Documents:** All Parties agree to cooperate fully and execute any and all supplementary documents and take all additional actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Settlement Agreement and Release, including execution of an *Agreed Order of Dismissal* in Civil Action No. 2:08-0061.

15. **Severability/Invalid Provision:** If, after the date hereof, any provision of this Settlement Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Settlement Agreement, such provision shall be fully severable. In lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be effective, legal, valid, and enforceable.

16. The Settlement Agreement shall be construed and interpreted in accordance with the laws of the State of West Virginia.

17. The terms of this release are contractual in nature and not a mere recital. Breaches of this agreement may result in legal action to recover damages.

18. **Effectiveness:** This Settlement Agreement and Release shall become effective following execution by each of the Plaintiffs in this action, as below:

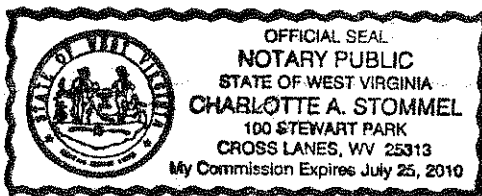
IN WITNESS WHEREOF, Plaintiff, Connie Tilley, Individually and as Legal Guardian and Next Friend of Shannon Dalton Adkins, an infant, has caused her name to be signed hereto this 16th day of December, 2009.

Connie Tilley
Connie Tilley, Individually and as Legal Guardian
and Next Friend of Shannon Dalton Adkins, an
infant,

Taken, subscribed, and sworn to before me, the undersigned authority, this 16th day of December, 2009.

My commission expires: July 25, 2010

Charlotte A. Stommel
NOTARY PUBLIC



IN WITNESS WHEREOF, Plaintiff, Kermit Tilley, Individually and as Legal Guardian and Next Friend of Shannon Dalton Adkins, an infant, has caused his name to be signed hereto this 16th day of December, 2009.

Kermit Tilley
Kermit Tilley, Individually and as Legal Guardian
and Next Friend of Shannon Dalton Adkins, an
infant,

Taken, subscribed, and sworn to before me, the undersigned authority, this 16th day of
December 2009.

My commission expires: July 25, 2010

Charlotte A. Stommel
NOTARY PUBLIC

